

ATTACHMENT B

[This memo was provided to Cincinnati City Council for the Neighborhood and Public Services Committee Meeting of November 1, 2005. The subject of the committee meeting was to follow-up on management improvement recommendations made to MSD in June 2003 and to address issues of management of MSD programs, including the Sewage-in-Basement program, the Consent decree and the Long Term Control Plan. This SC memo provided Council with background questions related to MSD's management of this \$1.5 billion program.]

November 1, 2005 1:00 PM

Neighborhood & Public Services Committee (Council Chambers - Room 300)

Chair: Laketa Cole

David Pepper, Vice-Chair

David Crowley

Christopher Smitherman

The Metropolitan Sewer District will be reporting on their progress

- Implementing the consent decree including the
- Sewage-in-Basement program
- and what MSD has done on the recommendations to improve MSD in the June 24, 2003 "Process Improvement Study Optimization Report"

There will be an opportunity for the public to comment on the Sewage-in-Basement program implementation, overflows into our local waterways and other MSD related issues.

The 2003 consent decree requires correction of Sanitary Sewer Overflows (raw sewage going into creeks, rivers, homes, streets, etc) and Combined Sewer Overflows (raw sewage and stormwater overflowing into creeks, rivers, homes, streets, etc).

A. Implementing the consent decree

- a. How is implementation of the decree being managed?
 - i. internal vs external? (outside consultants vs internal staff)
 - ii. how is the capital budget being managed? Operating?
 - iii. who makes recommendations and who makes decisions about operating budgets, capital budgets, projects?
- b. What programs and processes are being delegated to consulting firms?

- i. How were the decisions made to delegate what aspects to consulting firms?
 - ii. What is the budget for the consulting firms? Over what time period? How are increases or the need for additional costs being handled?
 - iii. How is their work being managed?
 - iv. Given the long term nature of this program – almost 2 decades, what efforts are being made to bring needed expertise in house to run MSD?
 - v. What evaluations have been done to show that it is more cost effective to use consulting firms rather than MSD internal staff?
 - vi. Of all of MSD's work, how much is done in house vs by consultants/private firms, etc? (by dollar amount, by personnel headcount (management vs non-management)? How is the split determined?
- c. What are the public input processes and when do they occur?
- d. When and how did MSD make the decision to seek lower water quality standards? What evaluation was done to determine if this was in the public interest? What is the public benefit of pollution as opposed to the benefit of clean water? Who approved this action? What was the public participation process?
- e. What was the decision process for using "high rate treatment" processes instead of full secondary treatment as required by the Clean Water Act?
- f. How will the multiple programs of the Consent Decree be brought together? That is, all aspects of the Decree (Sewage-in-Basement, sewer line capacity, additional hookups (new capacity), sanitary sewer overflows, combined sewer overflows, reduce inflow and infiltration, treatment plant capacity and effectiveness) are interrelated. Changes to one part of the system affect other parts "down-sewer". How does MSD plan to create an integrated plan? How will different projects be prioritized?
- g. Stormwater affects the MSD system and for the city, the Stormwater Management Utility is part of MSD. What is the Stormwater Management Plan for the city? How is it integrated into the Consent Decree?
- h. MSD has come before the County Commission for Capital Improvement Project increases? How is MSD managing costs to more accurately reflect the actual costs of projects when they are put in the CIP? How are operating budget increases being handled?
- i. MSD has come before the County Commission for projects which have been turned down. Are the incurred costs for projects that don't move forward, paid for from the CIP or the operating budget?
- j. The city of Madeira recently came before the County Commission with MSD to complete sewer modifications which had been begun but not finished. (Pump station built but residents understood it was temporary. Sewer lines built but not connected to other lines.) The Commission declined to budget the project due to other priorities. This example

illustrates the lack of an overall comprehensive, committed plan for projects which includes time frames and costs.

- k. What is the status of each project in the CIP? Which projects are in the city and which not? How much of the CIP budget is in the city as opposed to projects outside the city?
- l. What is the status of the Long Term Control Plan (for Combined Sewer Overflows) development? What projects are inside the city limits? How many of the Combined Sewer Overflows in the city limits will be completely eliminated? How will and how soon will water quality in the city limits be improved?
- m. Sewer lines are designed with an anticipated and calculable amount of leakage. This results in considerable inflow and infiltration of rain/groundwater and sewer overflows. Should MSD require and use better quality sewer lines to eliminate future costs?
- n. What is MSD's current, known maintenance backlog? When will MSD have a more comprehensive understanding of its backlog? What is the expected cost to fix the known, needed repairs? How are these repairs being integrated and prioritized with the rest of the MSD work, particularly on the consent decree?
- o. What is the status of MSD's sewer credit (credits allowing additional flow into the sewer system in exchange for removal of stormwater) program? Who many credits does MSD have? How many do developers have? Who gets credits? How does MSD verify the amount of credits gained by a project? Are city development projects being held up by the lack of credits or insufficient credits in some locations? Are small developers at a disadvantage because big developers are more likely to have and use their own credits?
- p. Some reports have indicated that there is considerable inflow and infiltration (I/I) into the sewer system from homeowner laterals. What policies does MSD have to remedy this situation? Does MSD have data to indicate how much/many of their overflows could be eliminated by eliminating I/I from homeowner laterals?
- q. In light of the need to enter into a Consent Decree (about seven years of negotiation) and the years of violations (over 2 decades) of the Clean Water Act, what public policy changes are needed to remedy this situation and prevent reoccurrence?

B. Sewage-in-Basement program

- a. MSD has published statistics for the Sewage-in-Basement program for 2004 but as of mid-October 2005 no statistics had been published or made available.
 - i. What is the current 'cost per home/pump/modifications'?
 - ii. Why has the cost been so high?
- b. How many SIBs are or can be eliminated by increased capacity in sewer lines, repairs to sewer lines, etc?

- c. How is MSD deciding whether to install pumps, close off basements, install temporary storage systems, increase capacity, reduce rain and ground water inflow & infiltration, temporarily store rain water, etc?
 - i. How is the need for increased capacity being balanced against the need for immediate relief for homeowners?
- d. What is the schedule to remedy the rest of the SIB properties that are currently known about?
- e. What releases are people being required to sign before installation?
- f. What if people don't want a pump in their basements or to pay for the costs of operation?
- g. What happens when the power goes out? (during a rainstorm, when the pump is most likely to be needed?)
- h. What process is being used if the SIB victim does not agree with the city's claims process decision? What is the appeal process?
- i. How are SIB victims kept up to date on the status of the MSD program? Are they given information in writing about their situation, the cause, what to do when a backup occurs, the claims process for damages, how to proceed with a diminution in value claim, how to know if they are in the prevention program, what that means, when they can expect to hear from MSD next, etc?
- j. Homeowners are required to file insurance claims for damages and the city pays only the deductible. Homeowners are concerned that their premiums may go up or they may be dropped by insurance companies for repeated claims while waiting for MSD's prevention program to be fully implemented. What is MSD's responsibility for this situation, given that the backups are MSD's responsibility?
- k. Why aren't SIB victims told that under the consent decree they have a right to have their backups (when the failure is in MSD's system) corrected? What recourse do SIB victims have if they don't want a pump or want their basement enclosed?
- l. HB 411 which became law earlier this year, appears to allow for MSD to charge property owners for SIB prevention devices if the county commission agrees and requires release of all liability by the homeowner. Who requested these changes to the law and what was MSD's involvement?

C. Implementation of the MSD's audit recommendations from the June 24, 2003 "Process Improvement Study Optimization Report"

- a. This report made numerous recommendations (page 1 to 28) to improve MSD. The report identified significant need for improvement in communication between divisions, training, strategic and project planning including long range planning, costing projects, collections, etc. What is the status of each of the recommendations?